



Comptroller General  
of the United States

Washington, D.C. 20548

144349

## Decision

**Matter of:** RAI, Inc.  
**File:** B-244725  
**Date:** July 11, 1991

David R. VanMetre for the protester.

### DIGEST

Protest concerning validity of cost comparison made pursuant to Office of Management and Budget Circular A-76 will not be considered where the protester has not exhausted the administrative appeals procedure provided by the agency.

### DECISION

RAI, Inc. as the low offeror under invitation for bids, protests the Department of Veterans Affairs' determination to maintain in-house VA warehouse services. After performing a cost comparison pursuant to Office of Management and Budget (OMB) Circular A-76, the VA concluded it would be more advantageous to the government not to contract for these services.

Federal Acquisition Regulation § 7.307, in accordance with the OMB Circular A-76, requires that agencies establish appeals procedures for administrative review of cost comparisons. We will not consider a protest of the cost comparison unless the procedure has been exhausted. Intelcom Support Serv., Inc., B-234488, Feb. 17, 1989, 89-1 CPD ¶ 174. Since the protest does not show that RAI has exhausted the administrative review procedure, and is styled as a protest of the VA's decision filed directly with our Office, we dismiss the protest.

A handwritten signature in cursive script, reading "Michael R. Golden".

Michael R. Golden  
Assistant General Counsel